



County of Los Angeles CHIEF EXECUTIVE OFFICE

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<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

August 23, 2013

To: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name of the Chief Executive Officer.

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

ONLINE REALTIME CENTRALIZED HEALTH INFORMATION DATABASE (ITEM NO. 22, AGENDA OF AUGUST 20, 2013)

At the Board meeting of August 20, 2013, a motion was approved requesting the Chief Executive Officer (CEO) to review the assessment of projected cost for capital infrastructure costs for the Department of Health Services' (DHS) electronic health records system, also known as the Online Realtime Centralized Health Information Database (ORCHID). In addition, the CEO was directed to report back on how the accuracy of funding requests presented to the Board can be improved.

The initial estimate for the capital project infrastructure to support implementation of the ORCHID system was estimated by DHS to be \$22 million. When CEO and Department of Public Works (DPW) were brought into the project, it was agreed that facility assessments would be required to validate the original project estimate and scope of work. Based on these assessments performed by DPW's as-needed consultants, the new preliminary estimate is \$45 million. The final capital project estimates will be available when project design is completed in November 2013. At that time, we will return to the Board for final project budget approval and appropriation to fully fund the projects.

The best method for improving the accuracy of funding requests submitted to the Board is for subject matter experts to be involved in development of project costs. Capital project cost estimates should be based on recommendations of Internal Services Department or DPW, in conjunction with the CEO. In the case of the ORCHID infrastructure projects, neither the CEO nor DPW was consulted on the capital component prior to finalization of the funding request. This oversight resulted in an

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estimate that excluded critical capital project components and an underestimate of the cost. We have reinforced, with the Department Heads, the importance of early engagement with the CEO and DPW on all capital projects.

If your staff has any questions, they may contact Sabra White of my office at (213) 974-1140.

WTF:SHK:DJT
SW:zu

Attachments

c: Executive Office, Board of Supervisors
 County Counsel
 Health Services
 Internal Services
 Public Works